

# Santa Barbara County Economic Forecast

The principal sectors of the Santa Barbara County economy include tourism, a diversified manufacturing sector, UCSB, and Vandenberg Air Force Base.

Growth of technology based employment, and other jobs in business services, recreation, and retail trade led the labor market surge between 1996 and 2000 when employment in the County increased by 19,300 jobs, an increase of 12 percent.

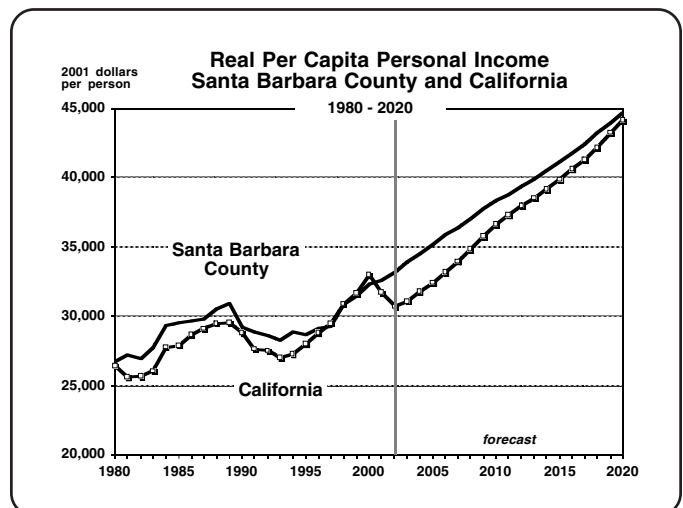
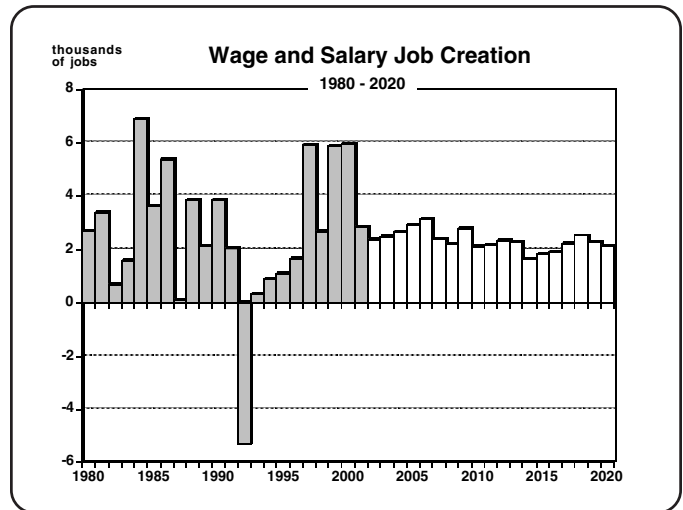
Job growth in the non-farm sector grew 1.4 percent in 2001. That rate of growth will remain the same in 2002 and 2003. The forecast of 2,450 non-farm jobs created in Santa Barbara County in 2002 will principally occur in education and services, especially consumer services.

Home prices in Santa Barbara County continue to rise though the rate of appreciation has cooled to single digit increases. Because more and less expensive housing has been producible in the Lompoc and Santa Maria Valleys, price appreciation has recently soared in those markets.

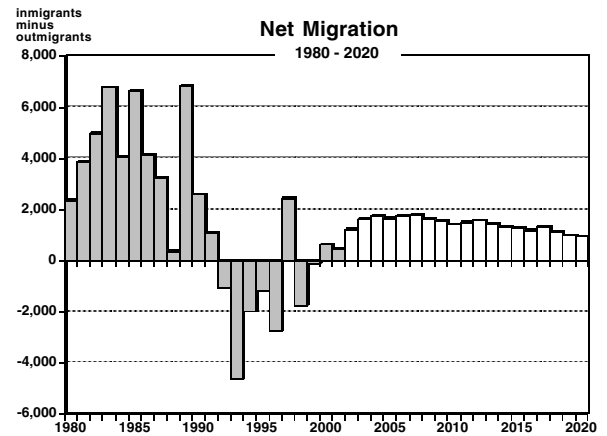
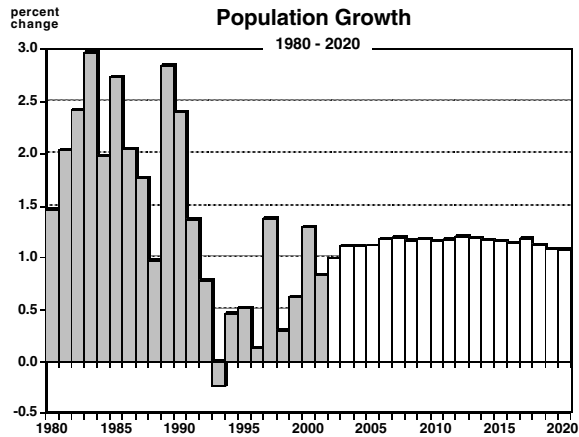
New development in 2002 will be minimal in the South and heavy in the North. While some large housing projects will break ground in Goleta this year, the pipeline for South Coast housing is empty.

## Forecast Highlights

- Population growth is not expected to abate much, even though modest levels of net migration are forecast over the next several years. Rising home costs are stifling migration based population growth. The principal contributor to local population is the natural rate of growth.
- The growth of real per capita real income is expected to increase in 2002 and 2003, relative to the one percent growth recorded in 2001. Adjusted for inflation, real per capita incomes are forecast to rise 1.7 percent in 2002 and 2.3 percent in 2003.
- There are enough approved projects to produce 1,000 new housing units each year for the next 4 years in Santa Barbara County. The forecast, however, calls for fewer new homes each year after 2002, due to difficulties with the entitlement process and the new Goleta building moratorium. After 2002, nearly all of the residential units forecast for Santa Barbara County occur in Buellton, Lompoc, Orcutt, and Santa Maria.



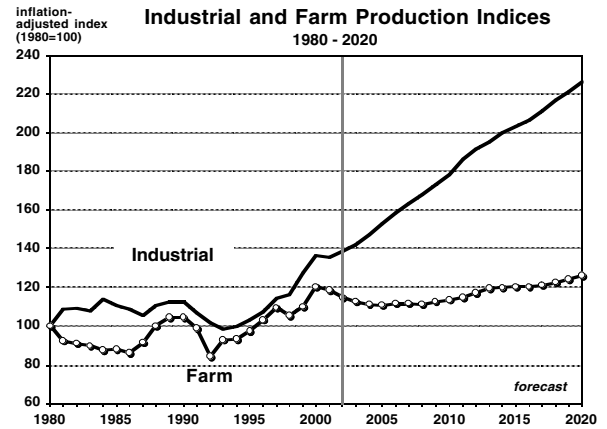
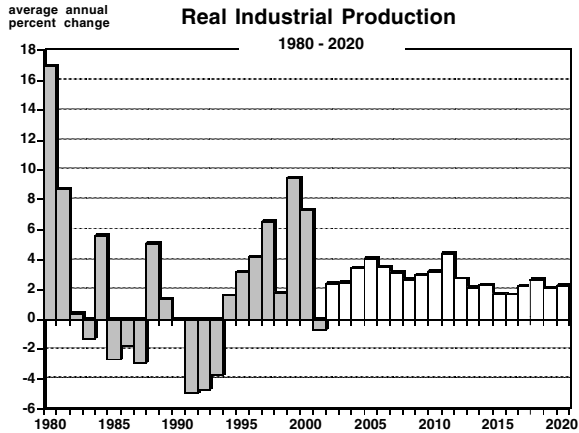
- Housing poses the largest constraint to significant job creation and net migration in Southern Santa Barbara County. To the extent that affordable and available housing is present, economic growth in the form of job creation would expand. The expansion of employment that is forecast occurs principally in the Santa Maria Valley where housing affordability is not yet a pressing issue.
- The longer term outlook for the Santa Barbara County economy is generally positive, but the shadow of the housing crisis will ultimately impact the ability of the business sector to remain both vibrant and dynamic due to a shortage of affordable homes for the workforce. This is certainly true in the South, and becoming more of an issue in the North.



## Santa Barbara County Economic Forecast

### 1995-2001 History, 2002-2020 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (number)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	391,300	-1,162	308.3	133.1	792	\$2.4	\$9.8	\$28,687	\$539	\$2.3
1996	391,800	-2,764	311.3	133.6	775	\$2.5	\$10.1	\$29,190	\$582	\$2.4
1997	397,200	2,425	299.3	134.9	903	\$2.7	\$10.5	\$29,318	\$626	\$2.6
1998	398,400	-1,749	318.0	135.3	1,026	\$2.8	\$11.3	\$30,882	\$612	\$2.6
1999	400,900	-122	323.7	136.1	915	\$3.2	\$11.8	\$31,472	\$653	\$2.9
2000	406,100	650	336.0	136.5	924	\$3.4	\$12.7	\$32,347	\$740	\$3.1
2001	409,496	471	341.7	137.4	1,268	\$3.6	\$13.4	\$32,630	\$753	\$3.1
2002	413,555	1,210	347.9	138.7	1,150	\$3.7	\$14.0	\$33,184	\$746	\$3.1
2003	418,154	1,645	353.7	139.8	1,050	\$4.0	\$14.9	\$33,951	\$749	\$3.2
2004	422,817	1,761	359.3	140.9	894	\$4.2	\$15.6	\$34,519	\$757	\$3.3
2005	427,534	1,677	364.9	141.7	919	\$4.4	\$16.5	\$35,170	\$773	\$3.5
2006	432,564	1,763	370.6	142.7	1,001	\$4.7	\$17.5	\$35,948	\$796	\$3.6
2007	437,722	1,795	375.9	143.7	1,093	\$4.9	\$18.3	\$36,419	\$814	\$3.7
2008	442,816	1,658	380.7	144.8	1,184	\$5.2	\$19.3	\$37,092	\$829	\$3.8
2009	448,028	1,579	385.6	145.9	925	\$5.5	\$20.3	\$37,801	\$857	\$3.9
2010	453,233	1,421	390.1	146.9	1,011	\$5.7	\$21.3	\$38,342	\$886	\$4.0
2011	458,556	1,504	394.3	147.9	847	\$6.0	\$22.4	\$38,841	\$919	\$4.2
2012	464,052	1,602	398.4	148.7	935	\$6.3	\$23.6	\$39,362	\$958	\$4.3
2013	469,550	1,447	402.3	149.7	850	\$6.6	\$24.8	\$39,888	\$1,001	\$4.4
2014	475,037	1,323	405.6	150.5	875	\$6.9	\$26.1	\$40,526	\$1,032	\$4.5
2015	480,545	1,278	408.6	151.4	865	\$7.1	\$27.4	\$41,164	\$1,059	\$4.6
2016	486,032	1,170	411.2	152.3	847	\$7.4	\$28.9	\$41,837	\$1,086	\$4.7
2017	491,770	1,318	413.7	153.1	844	\$7.8	\$30.4	\$42,478	\$1,120	\$4.8
2018	497,303	1,116	416.1	153.9	755	\$8.0	\$32.1	\$43,256	\$1,163	\$4.9
2019	502,688	979	418.2	154.7	644	\$8.3	\$33.8	\$43,985	\$1,207	\$5.0
2020	508,116	947	419.9	155.3	677	\$8.5	\$35.5	\$44,731	\$1,249	\$5.1



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
159	14.1	5.4	1.2	15.9	5.1	35.2	7.2	44.7	29.7
160	14.6	5.9	1.2	16.4	5.1	35.0	7.1	45.3	29.7
166	14.7	6.7	1.0	17.1	5.4	36.6	7.2	46.5	30.9
169	13.8	6.8	0.9	17.8	5.3	37.4	7.5	47.4	31.8
175	15.3	7.7	0.8	16.8	5.1	39.1	7.6	49.9	32.4
181	15.2	8.1	0.8	17.1	5.1	41.1	7.8	52.4	33.0
183	15.7	8.5	0.8	17.5	4.9	41.0	7.8	53.5	33.6
186	15.6	8.7	0.8	17.9	4.9	41.3	7.8	54.3	34.5
188	15.5	9.0	0.8	17.9	4.9	41.8	7.8	55.2	35.3
191	15.6	9.1	0.8	18.1	5.0	42.4	7.8	56.0	36.1
194	15.9	9.2	0.8	18.3	5.0	43.1	7.8	56.8	36.9
197	16.2	9.4	0.8	18.5	5.0	43.9	7.8	57.6	37.7
199	16.0	9.4	0.8	18.8	5.0	44.6	7.8	58.3	38.4
201	15.9	9.4	0.8	19.1	5.0	45.3	7.9	58.8	39.1
204	16.5	9.4	0.8	19.3	5.1	46.1	7.9	59.3	39.8
206	16.7	9.4	0.8	19.5	5.1	46.8	8.0	59.6	40.5
208	16.9	9.5	0.8	19.7	5.1	47.4	8.0	60.0	41.1
211	17.4	9.5	0.8	19.8	5.1	48.1	8.1	60.4	41.7
213	17.8	9.5	0.8	19.9	5.1	48.7	8.2	60.8	42.2
215	17.6	9.5	0.8	20.0	5.1	49.2	8.2	61.4	42.8
216	17.4	9.5	0.8	20.1	5.1	49.7	8.3	62.1	43.3
218	17.4	9.6	0.8	20.2	5.1	50.2	8.4	62.9	43.8
221	17.7	9.6	0.8	20.3	5.1	50.7	8.4	63.6	44.3
223	18.2	9.6	0.8	20.3	5.1	51.1	8.5	64.5	44.9
225	18.5	9.7	0.8	20.4	5.2	51.5	8.6	65.3	45.4
227	18.6	9.7	0.8	20.5	5.2	51.8	8.7	66.3	46.0

